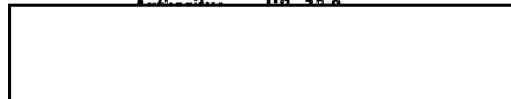


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Food and Agriculture (for Project NIE-40)  
(Western Europe)

A Preliminary Appraisal

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Under the assumptions underlying this study, and considering the basic food position of the area, it would appear that, in the field of food and agriculture, the general economic gain that could be derived by the Soviet Bloc would be limited, though measurable. Certain windfalls would be considerable. Substantial numbers of troops could be supplied from local sources. Indirect gains could be derived by diversion of food supplies and windfalls as among West-European countries for the benefit of workers in industries and transport whose performance is likely to be regarded as important. On the other hand, there would be a large deficit of grain and fats.

The following table gives the estimated over-all "surpluses" of the "surplus" countries in the area and estimated over-all "deficits" of the "deficit" countries. Theoretically, the surpluses would be at the disposal of the occupying power for whatever use it would wish to make of them. However, it should be noted that only in the case of sugar and meat would there be no urgent import requirement on the part of other countries in the area that it would be in the interest of the occupying power to fill. In the case of other surpluses, particularly fats, the deficit in other countries of Western Europe would be so great as to endanger industrial output so that there would be a strong incentive for the occupying power to divert a substantial share of the theoretical surplus supplies from some countries toward filling the theoretical deficits in others.

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Table 1: Summary of Surpluses and Deficits  
(1000 metric tons)

<u>Commodity:</u>	<u>Surpluses of Surplus Countries</u>		<u>Deficits of Deficit Countries</u>	
	<u>First Year</u>	<u>Second Year</u>	<u>First Year</u>	<u>Second Year</u>
Bread grains	500	-	3,500	5,500
Coarse grains	-	-	<u>1/</u>	<u>1/</u>
Sugar (refined)	1,000	450	150	300
Fats (product weight)	( 250 <u>2/</u> 100 <u>3/</u>	100-150 <u>2/</u>	( 350	700
Meat	500	300 <u>4/</u>	-	-
Cheese	200	100-150	20	20
Eggs	150	50	-	-
Fish	250-300	200 <u>4/</u>	400	500

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Basic Food Position of the Area

No country in the area considered, excepting Denmark, either was before World War II, or is now, self-sufficient in food or a net exporter of food at present rates of production and consumption of foodstuffs and feedstuffs. Prewar and postwar degrees of self-sufficiency by countries are given in Table 2. In the deficit countries, these degrees of food self-sufficiency - that is, the percentages of consumption covered by domestic production - range from a low of 48 percent (Switzerland) to a high of 93 percent (Sweden). Denmark, the only true food surplus producer, had a self-sufficiency of 125 percent. (All these percentages refer to recent post-war years and exclude that part of the livestock output which is produced from imported feed.) On a weighted average basis, all countries in the area taken together normally import one-fourth of their food requirements.

In terms of food calories regardless of origin the deficit countries in the area normally produce from around 1900 to 2000 calories per person per day in Austria, Western Germany, Belgium, Norway and Switzerland, to 2500-2700 in France, the Netherlands, and Italy; Sweden produces around 3100 calories, and Denmark, the only true net exporter, 4800 calories. These rates of production include what is produced from imported feed.

As indicated above, the self-sufficiency calculations are based on present rates of per capita consumption of foodstuffs in the countries concerned. These rates of consumption, as far as livestock products, fats and oils, sugar, fruits and vegetables are concerned are greatly in excess of the per capita consumption in the USSR. Conversely, they are much smaller than USSR's per capita consumption of grain. It is to be expected

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Table 2. Specified Countries: Degrees of food self-sufficiency  
(production from domestic resources in percent of  
consumption)

Country	Prewar <u>1/</u>	Postwar <u>2/</u>
	<u>Percent</u>	
Austria	68	57
Belgium	43	56
Denmark	106	125
France	83	87
Western Germany (excl. Saar) <u>3/</u>	68	63 (66/ <u>4</u> )
Italy	95	86
Netherlands	65	73
Norway <u>5/</u>	48	56
Sweden	91	93
Switzerland	45	48

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that, in the contemplated emergency, patterns of consumption in the area would be drastically changed, as they did during World War II shifting toward a diet with a larger share of vegetal foods and a smaller share of livestock products. Such a shift would make possible a larger supply of food energy from a given output from the soil, because of the reduction of the losses in conversion from feed to food. Such economy would find its expression in shifts of production and utilization from feed to food - such as larger acreages, particularly of high-yielding food crops, larger consumption of grains for food at the expense of feed, including higher milling extractions (yielding less bran for feed).

Taking the above factors into consideration, it is estimated that on balance, a reduced total output from the soil (which is expected to occur by 1953) will be more than offset by shifts in production and utilization patterns; and that the indigenous food supply during the second year of occupation will provide around 2,250 calories per person per day, a slight increase over the normal supply from indigenous production. On the assumption that the farm population would retain food supplies equivalent to around 3,200 calories per person per day for each member of the family, the remaining indigenous food supply if equally distributed to the non-farm population would supply around 1,900 calories per person per day. The above calculation is based on the present distribution of population and does not, therefore, take into account the probable migration from the cities to the countryside, in which case the food supply for the non-farm population would be reduced somewhat further. If it is further assumed that around 40 percent of the non-farm population will be engaged in work deemed essential by the occupation authorities, and that this group will receive an average of 3,000 calories per person per day, the remaining supply of indigenous food will supply around 1,100 calories daily to the non-

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priority segment of the population. These calculations do not make any allowances for the shipment of indigenous food out of Western Europe or for requisitions for the occupying forces. They do imply, however, that indigenous food supplies would be redistributed within Western Europe. Without imports of bread grains, for example, Norway, Switzerland, Belgium, the Netherlands, Western Germany, Austria and possibly Finland would face a serious food crisis before the end of 1952-53. These countries now import, on an average, one-half of their total food utilization of breadgrains - from 40 percent in Western Germany to almost 90 percent in Norway and about 40 percent of the fats used for food.

Basic Considerations for Appraisal

An appraisal of the outlook for the emergency contemplated would be most misleading if it were based upon purely statistical computations. Thus, even reasonably appropriate assumptions as to output, food consumption on farms and rations that might be decreed for the non-farm population, would greatly overestimate the supplies of some products, notably meat, fats, and sugar, that might be diverted from some countries to others, or appropriated by the occupying power for its forces and possibly for shipment eastward. In general it must be expected that, in the emergency assumed, it would be difficult - even if draconic systems of collection were imposed - to extract a satisfactory volume of food supplies from farms. Most surely farmers would contrive, as they did in World War II, to retain ample supplies for themselves plus a surplus for disposal in profitable black markets. Conditions will differ of course as among countries, depending upon the degree of the now existing organization and commercialization of output and distribution of agricultural products.

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The statistical exercise alluded to in the preceding paragraph has actually been undertaken for purposes of background study, but upon further probing into what promise to be realities of the situation was discarded in favor of a more realistic approach.

Aside from the facts described in the previous chapter, the first consideration must be the level of food production, per capita of the populations as it is likely to prevail in 1952-53, compared with the period before World War II. In 1951-52 total gross output of food in the area as a whole is still some 5 percent below prewar, on a per capita basis, and will probably not quite reach the prewar average in 1952-53. That means that it will be definitely below the 2 years preceding World War II when production was higher than the five year prewar average (1933-34 to 1937-38). As to individual countries, only France, Belgium, Sweden, and Denmark are likely to exceed, in 1952-53, their output in the 2 years preceding World War II; the other countries will at best reach it. (Production indices are given in the Appendix).

The present position in respect of aggregate output per capita is therefore not unlike that of the situation at the outbreak of World War II. Per capita production of breadgrains and coarse grains will probably be considerably lower, of sugar, milk, and fish higher, while the other main products will show little change compared with 1938 or 1939.

Expectations for 1953-54 and 1954-55 must no doubt be for declines, barring unusually favorable weather conditions. Pertinent factors other than weather <sup>all</sup> will act depressively. While in World War II farmers were not in all areas hostile to the dominant power or to their own subservient governments, in the present case assumed they will be, without major exceptions. Coercion

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will breed more resistance than it did in World War II. Disorganization of administration, transport, and distribution will affect production and deliveries. A reduced supply of goods the farmers wish to buy, controls, and a general deterioration in morale will unfavorably affect incentives to exertion and progress and will most likely make for a wasteful utilization of resources. Shortages in pesticides and fuel are bound to occur. Imports of feedstuffs will be largely eliminated (excepting some supplies from the east). Liquidation of livestock will reduce herds and affect the supply of manure. However, adequate supplies of chemical fertilizers will be available for the period under consideration assuming no major damage from aerial warfare as per assumptions set forth in outline for NIE-40.

A second consideration must be that, even if the declines in production remain moderate in the 2 seasons, as they were in the first years of World War II, the conditions that have been indicated will greatly affect deliveries from the farmers. As an illustration of the immediate effect of a war emergency upon the "legal commercialization" of farm supplies may be mentioned the official French statistics of total meat and milk output in 1939 and 1940. According to these statistics production of meat in 1940 dropped to less than two-thirds of 1939, and of milk to less than three-fourths. These were of course statistical, not actual declines, indicating however the concerted action of farmers, crop appraisers and administrators to protect supplies against "legal commercialization."

For purposes of tentative estimates, production in 1952-53 has been assumed at the levels indicated in the 12 September Confidential release of OFAR. For breadgrains extraction rates for 1952-53 were assumed at about 90 percent; also for 1953-54. Production for food in 1953-54 was assumed

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at 10 percent below 1952-53 for breadgrains, at 20 percent below for sugar. Meat, eggs, milk and milk products, and slaughter fats in 1953-54 were assumed at reductions corresponding to the quantities estimated as having been produced from imported feed in 1951-52. For 1952-53 no such reductions were assumed because of the effects of livestock liquidation (as far as meat and slaughter fats are concerned) and because of carry-over supplies of feed and of finished products (with regard to milk and milk products). A sizeable decline was assumed for eggs.

Estimates: 1952-53 and 1953-54

Breadgrains.

On minimum feeding assumptions for urban consumers, and what would seem to be realistic assumptions regarding farm deliveries, there would be an import requirement for the area of about  $3\frac{1}{2}$  million tons of breadgrains. Stocks existing at the beginning of 1952-53 would cover only part of this requirement in some countries. In Italy, France, and Sweden there might be surplus stocks of several hundred thousand tons, but would be difficult to extract. Net import requirements for 1953-54 might rise to  $5\frac{1}{2}$  million tons. There would nowhere be surplus stocks left at the beginning of 1953-54.

Coarse Grains; Oilcake.

In no country of Western Europe would coarse grains be available for seizure in significant quantity, except for troop requisitions. The area now imports 6 million tons, mostly for feed, and practically no such imports for feed would be in prospect. The supply of oilcake (from either imports of seeds or cake as such) would very probably also be quite small, with corresponding effects upon the output of livestock (especially dairy) products. At the present time the area imports about 1,600,000 tons of cake

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equivalent. The 1,200,000 tons falling to France, Belgium, the Netherlands, and West Germany are equivalent to a milk output of about  $3\frac{1}{2}$  million tons, or roughly 10 per cent of total milk production in these four countries.

Sugar.

Sugar is one product whose output has greatly increased as compared with 1939 in most countries, with the result of smaller dependence on overseas supplies. Since it is also a product whose output is concentrated in a few factories easy to control, the windfall gains for the occupying power in 1952-53 might be considerable. (Always provided that the beets are properly harvested and delivered to the factories; that might require incentive goods for producers.) By 1953-54 the acreage and output of sugar beets may have been reduced and the incentive to use beets for feed will have increased because of the feed shortage. Aerial warfare may in the meantime also have damaged factories.

Sugar is certainly a product that would be valued by the occupying power for supplies of the Russian and part of the East-European population. Diversions would also be necessary to Norway, Switzerland and - beginning with the second year - possibly for industrial workers in West Germany and Austria. Main suppliers would be Denmark, Belgium, the Netherlands, and France. The net supplies available from the area for diversion eastward or to occupying troops in the first year could reach up to 800,000 tons, perhaps even over 1 million tons, if 1952 stocks are seized. In 1953-54 that surplus might well dwindle to 200,000 tons or less.

Fats and Oils

In 1952-53 there would probably be large windfall gains in butter supplies from Denmark and Netherlands, and theoretically also Sweden. These

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may well amount to 250,000 metric tons. The import deficits for fats of the other countries in the area would, however, exceed this surplus - by about 100,000 tons even at modest rates of consumption. It is most improbable that those deficits could be filled. Carry-over stocks and Norwegian whale oil supplies landed from the catch in the spring months of 1952 could contribute about 100,000 tons to relieving the deficiencies. Since a diversion of some of the surplus butter supplies at least to the occupying troops would be most likely, and since much would have to be diverted to industrial workers (Germany, France), thenon-preferred consumers would experience a severe fat shortage even in the first year.

In 1953-54 the shortage would grow to major proportions, although from 100,000 to 150,000 tons of fats (mainly butter) would still be available from Denmark and to a lesser extent Sweden. Deficits would be great in Germany, France, Italy, Belgium, Austria, and Switzerland. These deficits (at modest consumption rates) could amount to as much as 700,000 metric tons.

Meat.

Theoretically, there would be large surpluses of meat in the first year in most West-European countries, even if farm consumption remained high, provided low rates of urban meat rations could be enforced. But, as the situation in World War II showed, it is most difficult to control meat supplies in an emergency. Meat is an ideal black market item. Nevertheless, in countries like Denmark and the Netherlands, there would - in 1952-53 - be sizeable true surpluses. Even France, Belgium, and Germany, or perhaps Austria and Norway, would temporarily have surplus supplies if controls, at low domestic rates of consumption, could be enforced. The

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surplus supplies in the first year would result, in part, from the liquidation of livestock capital.

Upwards of 500,000 tons of meat (including bacon) could be definitely expected in 1952-53 as windfalls - mostly from surpluses in Denmark, the Netherlands, and France - for diversion to the occupying power's troops and for shipment eastward. Little would be needed for diversion to other industrial populations in Western Europe, since indigenous commercialized supplies in each country should suffice for that purpose.

Even in 1953-54, surplus supplies should still be sizeable - a few hundred thousand tons - again mostly from Denmark, the Netherlands, and possibly France. In the meantime, however, the feed shortage would have taken effect. Livestock would be marketed at lighter weights. Breeding would have been reduced and cattle might be withheld from markets and carried as capital investment on maintenance feed rations.

Cheese

As in the case of meat, there would theoretically be large surpluses of cheese in 1952-53, notably from the Netherlands, Italy, Denmark, Switzerland, and France. But perhaps more than any other product do dairy products afford possibilities for changes in utilization and output as among the various uses of milk. It is only in highly organized countries, where most, if not all, of the milk produced goes through long-established dairies, that orderly production and marketing can be expected. In most other countries, the diversions of milk to food consumption on farms, to butter-making for farm and black market consumption, and even to feeding would be formidable. Moreover, the great fat shortage likely to occur in most countries will make cheese an alternative to fats and therefore a much desired substitute and black market food.

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in 1952-53 of up to 200,000 tons of cheese may be expected. This would be a desirable operating fund for supplies for troops and for special food incentives to workers in critical areas.

With lower milk output in 1953-54 and increasing shortages of everything, these surpluses would probably shrink to from 100,000 to 150,000 tons. With controlled consumption through rationing in urban centers, the other countries would on the whole need no additional supplies, except for special food premiums for workers in critical industries, as stated.

Eggs.

Production of eggs and poultry for commercialization - except what can be safely blackmarketed - would probably decline precipitously, as it did in World War II. Again, with controlled rations, there would theoretically be large surpluses. Yet only those from Denmark, the Netherlands, and Sweden could be safely counted upon - a total of perhaps 150,000 tons of fresh egg equivalent for 1952-53. This surplus, by 1953-54, would have dwindled to little over 50,000 tons, unless these countries can market supplies in exchange for things they really need.

An example of the rapid changes that must be reckoned with may be seen in developments in Denmark during World War II. Production of eggs fell from 113,000 tons in 1940 to 60,000 tons in 1941 and 40,000 in 1942 - with exports falling from 80,000 tons in 1940 to 33,000 tons in 1941 and 6,000 in 1942. 1/

Fish.

In accordance with the assumptions given, a drastic reduction in

1/ Landbrugets Produktion og Økonomi, 1946.

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fishing operations must be expected. Coastal fishing, however, would be carried on. It is not unlikely that in 1952-53 substantial surpluses could still be provided by Norway, Denmark, and possibly Sweden and the Netherlands - perhaps a total of 250,000 to 300,000 tons. These could serve as supplemental protein supplies for the urban population to such countries as Germany, Italy, France, and Belgium - whose deficit would perhaps be twice as large as that surplus. The surplus in 1953-54 would probably be somewhat, though not drastically, smaller than in 1952-53.

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